Meeting Session	DCMDG 105 Meeting
Paper Reference	DCMDG 105_NR Contribution Rates and DOC Contribution Rate
Action	For Discussion

NR Contribution Rates and Doc Contribution Rate

1. Issue Raised

1.1 Statkraft has queried the availability and transparency of certain inputs used within the Extra High Voltage Distribution Charging Methodology (EDCM), initially asking where the latest NR contribution rates and DOC contribution rate percentages for each DNO region could be found. **Example text from Schedule 17 is set out below:**

> **17. FIXED CHARGES FOR IMPORT AND EXPORT**
>
> 17.1 The contribution rates for network rates and direct operating costs are converted into a p/day fixed charge for the sole use assets of each EDCM Connectee as follows:
>
> Import fixed charge on sole use assets in p/day = 100 / DC * SD * (NR contribution rate + DOC contribution rate)
>
> Export fixed charge on sole use assets in p/day = 100 / DC * SG * (NR contribution rate + DOC contribution rate)
>
> Where
>
> DC is the number of days in the Charging Year.
>
> SD is the MEAV of sole use assets allocated to demand of that EDCM Connectee.
>
> SG is the MEAV of sole use assets allocated to generation of that EDCM Connectee excluding the value of sole use assets associated with exempt export capacity.
>
> NR contribution rate is the network rates contribution rate in per cent.
>
> DOC contribution rate is the direct operating costs contribution rate in per cent.

1.2 The Secretariat advised that these values do not appear to be published publicly. DNOs do not publish populated EDCM models, which are the most likely source of the relevant values. It was suggested that

some underlying information might potentially be available through **DNO Price Control Financial Models (PCFMs)** or **Long-Term Development Statements (LTDSs)**, although these are not DCUSA-managed documents and this could not be confirmed.

1.3 The enquiry subsequently developed into a broader concern about the **transparency of EDCM charging**. Statkraft noted that the current position makes it difficult for prospective EHV customers to forecast DUoS costs before committing to a connection and may also make it difficult for existing customers to verify or challenge their charges. Statkraft also questioned whether the lack of publication could create an information imbalance between incumbent customers, who may be able to infer relevant values from their own connection information, and prospective new entrants.

2. Responses to Date

2.1 The Secretariat explained its understanding that populated EDCM models have historically not been published principally because they can contain:

- Commercially sensitive DNO cost information, including equipment and procured-service costs; and
- Site-specific information relating to individual EHV customers, such as capacities and potentially other business information.

2.2 The latter has also been associated with concerns about disclosure restrictions under Section 105 of the Utilities Act 2000. The Secretariat made clear that this was an explanation of its understanding of the DNO position rather than an endorsement of that position.

2.3 Statkraft responded that it remained difficult to reconcile this position with the fact that some resulting EHV tariff information is already published. In particular, it questioned why the percentages, and underlying inputs could not be made available where this would allow prospective customers to forecast charges and existing customers to check the accuracy of their charges.

2.4 Statkraft also asked whether **DCUSA could provide a route for improving transparency through an appropriate Change Proposal**. The Secretariat confirmed that concerns around EDCM transparency and publication have been discussed previously and suggested that the matter would benefit from industry discussion rather than the Secretariat taking a substantive position.

3. Current Position / Next Steps

3.1 Statkraft was therefore invited to raise the issue at the **Distribution Charging Methodologies Group (DCMDG)**, as the open industry forum for matters concerning the DCUSA charging methodologies. Statkraft indicated an interest in attending but was unable to join the October meeting.

3.2 The Secretariat has subsequently arranged for Statkraft to receive invitations to future DCMDG meetings and intends to include the matter as an **agenda item for discussion at the next meeting**.

3.3 The key issue for industry consideration is therefore whether the current balance between **commercial/customer confidentiality and transparency of EDCM inputs** remains appropriate, and whether additional information could be made available—potentially without publication of fully populated EDCM models—to enable prospective and existing EHV customers to forecast, understand and verify their DUoS charges.